

MONTGOMERY COUNTY, MARYLAND

AND

THE WRITER'S CENTER

FIRST AMENDMENT TO LEASE AGREEMENT

THIS AGREEMENT made and executed this 6<sup>th</sup> day of July, 1998 by and between MONTGOMERY COUNTY, MARYLAND, a body politic and corporate, (hereinafter referred to as "Lessor"), and THE WRITER'S CENTER, a District of Columbia nonprofit corporation (hereinafter referred to as Lessee).

WITNESSETH

WHEREAS, Lessor and Lessee are parties to a Lease Agreement dated July 21, 1992, (hereinafter referred to as the "Lease"), which is attached hereto and made a part hereof as Exhibit "A", and under which Lease the Lessee occupies the Premises known as 4508 Walsh Street, Bethesda, Maryland; and

WHEREAS, Lessee has obtained grant funds from the State of Maryland to perform capital improvements to the facility and receipt of said funds requires that the Lease expire on December 31, 2013; and

WHEREAS, in consideration of the Lessee's willingness to invest in capital improvements for the facility, Lessor is willing to lower the rental rate \$1.00 per square foot over a ten year period for a total of \$110,000 as Lessor's contribution to the project;

NOW THEREFORE, Lessor and Lessee agree to certain amendments of the Lease as follows:

- I. Paragraph 2, entitled TERM, is amended as follows:

The term hereby created shall commence August 1, 1992 and expire at midnight on December 31, 2013.

- II. Paragraph 3, entitled RENEWAL OPTIONS, is deleted in its entirety.

- III. Paragraph 5, entitled RENT. Add a subparagraph D, that reads:

- (D) Upon completion of the capital improvements outlined in a letter dated April 22, 1998 from Allan B. Lefcowitz to Fred Edwards, attached hereto as Exhibit B, the rent will decrease \$1.00 per square foot from the then current rental rate. The reduction will continue for a period of ten years, or until an overall reduction of ONE HUNDRED TEN THOUSAND dollars and 00/100 (\$110,000) is reached. The new rental schedule will be established in a letter between the parties after Lessee has completed the improvements.

Lessor and Lessee agree that all terms, conditions and covenants in the Lease dated July 21, 1992, shall remain in full force and effect without any change or modifications except as otherwise indicated in this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: David Chudick

LESSEE:

By: [Signature]

Title: Director

Date: 6/28/98

WITNESS:

By: Bethanna Nessett

LESSOR:

MONTGOMERY COUNTY,  
MARYLAND

By: [Signature]  
GORDON AOYAGI, SENIOR ASSISTANT  
CHIEF ADMINISTRATIVE OFFICER

Date: 7/10/98

APPROVED AS TO FORM & LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

By: [Signature]

Date: 6.13.96

RECOMMENDED

By: C. Brennerman for  
REY JUNQUERA, LEASING MANAGER  
DIVISION OF FACILITIES AND SERVICES

Date: 7/1/98

## SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement made and executed this 25<sup>th</sup> day of July, 2006, by and between Montgomery County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland (the "Lessor") and The Writer's Center, a District of Columbia non profit corporation (the "Lessee").

WHEREAS, the Lessor entered into a Lease Agreement with the Lessee dated July 1, 1992, as amended by the First Amendment to Lease dated July 6, 1998 (collectively the "Lease") for the premises having an address of 4508 Walsh Street, Bethesda, Maryland (the "Premises"); and

WHEREAS, the Lessee has requested an abatement of annual rent to insure the Lessee remains on a stable financial footing to continue operating the Premises; and

WHEREAS, Lessor has agreed to a three (3) year abatement of annual rent; and

WHEREAS, the Lessor and the Lessee mutually desire to amend the terms and conditions of the Lease to reflect the abatement of annual rent.

NOW THEREFORE, for the mutual promises herein contained and for other valuable consideration; the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions. Unless otherwise set forth in this Second Amendment to Lease, all capitalized terms shall have the same meanings as set forth in the Lease.

2. Rent. Section 5 of the Lease is hereby amended by adding the following to the end of the Section as a new paragraph (E).

"(E) Effective August 1, 2006, Lessee shall be entitled to a three (3) year abatement of annual rent, from August 1, 2006 through July 31, 2009, as set forth in paragraph (A) of this Section 5 the Lease ("Rent Abatement Period"). Notwithstanding anything contained herein to the contrary, during the Rent Abatement Period, paragraph (D) of this Section 5 of the Lease and Section 6 of this Lease shall continue in full force and effect. During the Rent Abatement Period, Lessee agrees to provide Lessor no later than August 15, 2007 and 2008, respectively, a progress report on meeting their financial goals to remain on stable financial footing to continue operating the Premises. Effective August 1, 2009, the Lessee shall commence to pay annual rent as set forth in paragraph (A) of Section 5 of this Lease."

3. This Second Amendment to Lease is incorporated into the Lease and shall be deemed a part thereof.

IN WITNESS WHEREOF, the Parties have caused this agreement to be properly executed.

WITNESS:

By: Rebecca S. Domaruk

LESSOR:  
MONTGOMERY COUNTY,  
MARYLAND

By: Joseph F. Beach  
Joseph F. Beach, Assistant  
Chief Administrative Officer

Date: 7/25/04

WITNESS:

By: Samuel K. Freeman

LESSEE:  
THE WRITER'S CENTER

By: Gregory F. Robison  
Title: Gregory F. Robison, Executive Director

Date: 12 July 2006

APPROVED AS TO FORM & LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED

By: Gileen S. Brennan

By: Cynthia L. Brenneman  
Cynthia L. Brenneman, Director  
Office of Real Estate

Date: 7/7/2006

Date: 7/6/06

LEASE AGREEMENT  
BETWEEN  
MONTGOMERY COUNTY, MARYLAND  
AND  
THE WRITER'S CENTER

DATED 7/21/92

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LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as the "Lease"), entered into this 21 day of July, 1992 by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic (hereinafter referred to as "Lessor") and THE WRITER'S CENTER, a District of Columbia nonprofit corporation (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, the Lessor is the owner of land and improvements known as 4508 Walsh Street, Bethesda, Maryland 20815 (hereinafter referred to as the "Property" or the "Leased Premises"), and

WHEREAS, the said land and improvements were vacated by Lessor in 1989, following the opening of the Leland Community Recreation Center which was constructed to replace the Property, and

WHEREAS, in accordance with Sections 9.0 and 9.1 of Montgomery County Executive Regulation 34-87<sup>1</sup> (Disposition of Surplus Property) the property was reviewed for alternative public uses in 1989 by all appropriate County agencies, and

WHEREAS, in accordance with Section 9.2A of Executive Regulation 34-87, a Reuse Analysis was prepared and submitted to the County Executive in 1991, setting forth all options identified for the reuse of the property and, in accordance with Section 9.2B of Executive Regulation 34-87, a public hearing was held to receive public comments on the alternative uses identified for the Property, and

WHEREAS, the County Executive, by Executive Order No. MCEO 309-91, declared that: 1) the Property was surplus to County needs; 2) the Property should be disposed of by sale to one of two cultural-educational organizations competing for its use (The Writer's Center and the Coordination Council for North American Affairs) based on fair market value and ability to purchase; and 3) in the event an agreement could not be reached with either of the named organizations, the Property could be offered for sale to other interested parties by competitive method.

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<sup>1</sup> Executive Regulation 34-87 was superceded by Executed Regulation 67-91AM on April 28, 1992 pursuant to quadrennial review. The Property was subject to policies and procedures for the disposal of County-owned real property prior to that date, and therefore, pursuant to Executive Regulation 34-87.

WHEREAS, the Coordination Council has withdrawn its offer to purchase the property; negotiations for the sale of the property to the Writer's Center have not yielded a satisfactory proposal, the County Executive has concluded that it is in the public interest to retain ownership of the Property and to dispose thereof by long-term lease to Lessee; and

WHEREAS, a new Executive Order, No. MCEO 183-92 was signed on 7-16, 1992, authorizing a lease of the property to the Writer's Center under terms and conditions therein set forth.

NOW, THEREFORE,

IN CONSIDERATION of the covenants hereinafter contained, and for other good and valuable consideration as hereinafter provided, the parties hereto mutually agree as follows:

1. PREMISES: Lessor does hereby lease and demise unto Lessee the premises described as Lots 6 and 7, Block D, Section 8 of the Chevy Chase subdivision, as recorded in Liber 7099 at Folio 485 among the land records of Montgomery County, Maryland, which property and improvements thereon have an address of 4508 Walsh Street, Bethesda, Maryland, and which property is hereinafter referred to as the "Leased Premises". The Leased Premises shall include all buildings, structures, walkways, paved areas, driveways, alleyways and all land contiguous to the building, comprising lots 6 and 7, as outlined in red on Exhibit A attached hereto and made a part hereof.

2. TERM: The term hereby created shall be ten (10) years, commencing August 1, 1992 and expiring at midnight on July 31, 2002.

3. RENEWAL OPTIONS:

(A) Upon the conclusion of the initial lease term set forth hereinabove, the Lessee shall have the right to renew this lease for two (2) additional and consecutive five (5) year periods, upon terms and conditions to be negotiated between Lessor and Lessee not less than six months prior to the date of expiration of the initial term or extension thereof. If agreement on such terms and conditions cannot be reached with exercise of due diligence by the parties hereto, the matter shall be submitted for arbitration in accordance with the dispute provisions of Article 30 herein.



- (B) For the first five year extension period, commencing August 1, 2002, and expiring at midnight on July 31, 2007, Lessee shall provide written notice of its intention to renew on or before August 1, 2001. Provided that Lessee has exercised the aforesaid first five year option, Lessee shall provide notice on or before August 1, 2006 of its intention to renew for the second five year option, which will commence on August 1, 2007 and expire at midnight on July 31, 2012.

4. TERMINATION BY THE LESSOR: The Lessor shall have the right to terminate this Lease at any time after July 31, 2001, by providing to Lessee one (1) year advance written notice of its intention to terminate. In the event of such a termination, the Lessee shall be entitled to reimbursement for non-elective capital improvements made to the premises by Lessee, under the conditions set forth in Article 10 herein.

5. RENT:

- (A) Lessee shall pay to Lessor an annual rental of TWENTY-TWO THOUSAND AND 00/100 (\$22,000.00) DOLLARS, payable in equal monthly installments of ONE THOUSAND EIGHT HUNDRED THIRTY-THREE AND 33/100 (\$1,833.33) DOLLARS.
- (B) The first monthly payment hereunder shall be due on the commencement date of the lease term. If the Lease Commencement date occurs on other than the first day of a calendar month, rent shall be pro-rated for each day of such partial month. All payments thenceforth shall be due and payable on the first day of each month during the lease term at the Montgomery County Division of Revenue, P. O. Box 6210, Rockville, Maryland 20850.
- (C) Should the Lessee fail to submit monthly rental payments in the above described manner, and should said failure continue for more than ten (10) calendar days after the first day of the month for which such rental payment is due and payable, Lessee shall pay to Lessor, in addition to and as a part of the rental payment in question, a late penalty of five percent (5%) of said monthly rental payment. Should Lessee's failure to pay continue for more than fifteen (15) calendar days after a monthly payment becomes due and payable Lessee shall pay to Lessor, in addition to and as a part of the rental

payment in question, a late penalty of fifteen percent (15%) of said monthly rental payment. Should Lessee's failure to pay continue for more than thirty (30) calendar days after a monthly payment becomes due and payable, Lessor shall have the right to terminate this Lease, recover possession of the Leased Premises and pursue any other legal remedies available to Lessor under the laws of the State of Maryland.

6. CONSUMER PRICE INDEX: It is agreed between the parties that the annual rent payable by the Lessee shall be adjusted at the beginning of the second lease year (for purposes of this provision, Lease Year shall be defined as the one year period from August 1 through July 31) and every lease year thereafter, as determined by the application of the following formula:

To the annual rent payable by Lessee during the previous lease year shall be added that sum representing one hundred (100%) percent of the resulting amount, if any, after multiplying said annual rent payable during the previous lease year by a fraction, the numerator of which shall be the index now known as the "U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, All Items (1987=100)" for the month prior to the last month of the previous lease year and denominator of which shall be said index for the month prior to the first month of the previous lease year, and subtracting from such product the annual rent payable during the previous lease year.

The resulting new annual rent shall in no event be less than the annual rent payable during the preceding twelve months and shall be payable in twelve equal installments on the first day of each month of the applicable year.

In the event the CPI is discontinued, ceases to incorporate a significant number of the items now incorporated therein, or if a substantial change is made in such CPI, the parties hereto shall attempt to agree on an alternative formula and if agreement cannot be reached the matter shall be submitted to arbitration under the rules of the American Arbitration Society then in effect.

7. CONDITIONAL RIGHT TO PURCHASE:

(A) In the event Lessor decides, at its sole discretion and without any obligation to Lessee, to sell the Leased Premises at any time during the lease term hereby

created, or any extension thereof, Lessee shall have the right to purchase the Leased Premises, in the manner hereinafter set forth, provided that the Chief Administrative Officer of Montgomery County concurs with a sale of the premises to the Lessee, and in accordance with Article 25A, Section 5 of the Annotated Code of Maryland.

(B) The price to be paid by Lessee for the Leased Premises shall be established in the following manner:

- (i) Lessor and Lessee shall each select a qualified licensed appraiser. The two appraisers selected shall choose a third qualified, licensed appraiser.
- (ii) The respective parties shall each bear the cost of their own appraisers and the fee for the third appraiser shall be equally divided between the two parties.
- (iii) The price to be paid for the Leased Premises by the Lessee shall be the average of the fair market values as submitted by each of the three appraisers. Lessor and Lessee agree to negotiate a reduction in the fair market value, if appropriate, to compensate Lessee for capital improvements that resulted in an enhancement of the fair market value of the premises, and were made at Lessee's expense, provided that such improvements have a remaining useful life beyond the date of sale, as determined by the IRS depreciation life span schedule. Any such reduction shall be based on a percentage of the original cost of said work, pro-rated to reflect the balance of the remaining life of the improvement beyond the date of sale, and will be considered only upon presentation to the Lessor of documentation as to the cost of the improvements and the contractor's or manufacturer's warranty. Capital improvements shall include replacement of the roof, boilers, HVAC system, asbestos removal or encapsulation, major improvements to electrical and/or mechanical systems, improvements related to handicapped accessibility, and replacement of windows (excepting window pane replacement).

(C) Lessee shall notify the Lessor in writing of its election to exercise its right to purchase within ninety (90) days from the date appraisals are concluded and Lessee is notified of the established price. Lessee shall then make the necessary arrangements to effect a settlement with the Lessor not later than sixty (60) days after receipt by Lessor of the Lessee's notice of election to purchase. In the event Lessee does not elect to purchase, then neither party shall have any further obligation to the other with respect to such right to purchase.

(D) The hereinabove right to purchase may not at any time be sold, transferred, assigned or subleased by Lessee without the written consent of Lessor first had and obtained.

8. USE OF THE PREMISES: The premises a. to be used for the educational and cultural programs of the Lessee and its sublessees approved as set forth in Article 21 hereof, and for community use as set forth in Article 9 hereof. The Lessee's programs may include readings of literary works, theatrical presentations, plays, classes and educational programs and children's activities, all substantially in accordance with the Lessee's program description as submitted to the Lessor, a copy of which is appended hereto as Exhibit B. The Lessor reserves the right to prohibit activities or uses of the building which, in the Lessor's determination, and at its sole discretion, are not consistent with the Lessor's understanding of the Lessee's program description, as set forth in Exhibit B.

9. USE OF THE PREMISES BY COMMUNITY GROUPS: Subject to a nominal charge for expenses, non-dedicated meeting facilities within the premises shall remain available to the community during the term of this Lease. Lessee agrees to make such facilities available for use by community groups when such use will not interfere with Lessee's previously scheduled activities.

10. CAPITAL IMPROVEMENTS:

(A) Elective Capital Improvements and Structural Alterations:

Lessee shall not undertake any structural alterations, changes or improvements to the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Once Lessor's consent has been obtained, Lessee shall be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect. Failure to adhere to any applicable ordinances or regulations shall be deemed to be a breach of this Lease. The cost of any such alterations or improvements shall be borne solely by the Lessee.

(B) Non-Elective Capital Improvements: In the event that it becomes necessary for Lessee to make substantial, non-elective capital improvements to the Leased Premises, and should the life of such work, as determined by the IRS depreciation life span schedule, exceed the balance of the lease term, Lessor shall, subject to funds being appropriated for that purpose in the approved and adopted Operating Budget of the Department of Facilities and Services, reimburse Lessee for a percentage of the original cost of said work, pro-rated to reflect the balance of the remaining life of the improvement beyond the expiration of the lease term. Said reimbursement shall be made in the form of a lump sum payment to the

Lessee at the expiration or other termination of the lease term, and only upon presentation to the Lessor of documentation as to the cost of the improvements and the contractor's or manufacturer's warranty. Lessor shall not reimburse Lessee for any non-elective capital improvements to the premises in the event Lessee vacates the premises before the end of the lease term whether voluntarily or pursuant to legal action for breach. Non-elective capital improvements shall include replacement of the roof, boilers, HVAC system, asbestos removal or encapsulation, major improvements to electrical and/or mechanical systems, improvements related to handicapped accessibility, and replacement of windows (excepting window pane replacement).

- (C) Lessor's Approval and Inspection: In order to secure Lessor's approval of any structural alterations or improvements, whether elective or non-elective, Lessee shall submit to Lessor plans and specifications clearly setting forth the work to be performed. Lessor shall respond in writing within 45 days from receipt of plans and specifications. Lessor shall inspect the premises upon completion of the work to determine adherence to submitted specifications and compliance with applicable codes and regulations. In the event that the completed work is not reasonably satisfactory to Lessor, Lessee shall undertake any necessary corrections, at Lessee's risk and expense.

11. OPERATING EXPENSES: Lessee shall be responsible for all operating expenses relating to the use and occupancy of the Leased Premises, including but not limited to, all maintenance and repair of building and equipment, fixtures, roof, windows, electrical systems, utilities, janitorial services, refuse removal, snow and ice removal or treatment, telephones, security, maintenance and repair of heating and air conditioning systems, plumbing systems, pest control and any other expense, without limitation or exception, incurred in the use and operation of the Leased Premises.

12. ENVIRONMENTAL REGULATIONS - LESSOR HELD HARMLESS. Lessee accepts the Leased Premises in the condition they are in at the commencement of this Lease and accepts full responsibility for compliance with and adherence to any and all laws, ordinances, rules, regulations and

requirements of all federal, state and municipal governments, commissions or boards relating to the use and occupancy of the premises by Lessee, or the removal from the premises or encapsulation of asbestos or other hazardous substances, if any, that may be present within the premises.

13. FIXTURES AND EQUIPMENT: All items which are attached to the building, or are a part of the building's systems at the time the building is delivered to Lessee, shall remain with the building and shall be delivered to Lessee along with the building. All moveable partitions, trade fixtures, floor coverings, furnishings or equipment installed within the Leased Premises at Lessee's expense shall remain the property of Lessee and may be removed by Lessee at the expiration or other termination of this Lease. Lessee shall, however, repair any damage caused directly and exclusively by reason of said removal. Any personal property remaining within the Leased Premises after expiration of the Lease shall become property of the Lessor. The Lessor shall dispose of any such property in the manner it deems appropriate.

14. CONDITION OF PREMISES: Lessee accepts the Leased Premises in the condition they are in at the commencement of this Lease. Lessor does not warrant the fitness of the Leased Premises and makes no representations or warranties that the premises are in good repair or are otherwise fit for use and occupancy, and Lessee accepts the premises at its own risk and will not hold Lessor liable for any defects in or defective condition of the said premises. Lessee agrees to maintain the Leased Premises, including all improvements therein, and the exterior thereof, in good condition and state of repair throughout the term of this Lease and any extension thereof. Lessee agrees to keep the Leased Premises clean and neat in appearance at all times, and to keep grass trimmed, trees treated and shrubbery pruned as necessary to maintain them in good condition and appearance. Lessee agrees to keep the outdoor areas, walkways and alleys that are part of the Leased Premises in good repair and condition.

15. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE: .

- (A) Lessee agrees to obtain and maintain, during the full term of this Lease, a policy of liability insurance with minimum bodily injury limits of FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) DOLLARS for an accident or death to one person, and ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS for each occurrence, and property damage limits of at least ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00)

DOLLARS for each occurrence, issued by an insurance company licensed in the State of Maryland and acceptable to Lessor.

- (B) Lessee agrees to obtain and maintain, during the term of this Lease, a policy of Fire, Extended Coverage and Vandalism insurance on the Leased Premises with minimum limits of at least ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS for each occurrence.
- (C) Lessee is responsible for fire, theft and vandalism insurance on the contents of the Leased Premises.
- (D) Lessor shall maintain Lessor's normal fire and liability insurance on the Leased Premises. Lessor reserves the right to self-insure. Lessor and Lessee agree to waive any right of subrogation against the other.
- (E) Lessee shall, within thirty (30) days from execution of this instrument, deliver to Lessor the said policies or certificates of insurance, evidencing the coverage hereinabove required.

16. HOLD HARMLESS: Lessee agrees to hold harmless and defend the Lessor from any and all claims of liability arising out of Lessee's use of the premises or through any negligence or willful misconduct on Lessee's part, and further specifically agrees to hold Lessor harmless and defend Lessor from any claim of public liability made in connection with any construction or installation of equipment within the Leased Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the premises hereinabove described, or whether Lessor approved of such construction or equipment as provided in Article 10 hereof.

17. RESPONSIBILITIES OF LESSEE: Lessee covenants and agrees as follows:

- (A) Lessee shall not strip, overload, damage or deface the Leased Premises, hallways, stairways or other approaches hereto, or the fixtures therein, or used therewith, nor suffer or permit any waste in or upon said Leased Premises.

- (B) Lessee shall not keep gasoline or other flammable material or any explosive within the Leased Premises which will increase the rate of fire insurance on the Leased Premises beyond the ordinary risk established for the type of operations described in Article 8 hereof. Any such increase in the insurance rate due to the above, or due to Lessee's special operations within the Leased Premises, shall be borne by Lessee. Lessee shall not willfully do any act or thing in or about the Leased Premises which may make void or voidable any insurance on the Leased Premises, and Lessee agrees to conform to all rules and regulations established from time to time by the Lessor, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.
- (C) Lessee shall not use or allow to be used the Leased Premises or any part thereof for any illegal, unlawful or improper purpose or for any activity which will, in Lessor's determination, constitute a nuisance to adjacent properties or the adjacent neighborhood.
- (D) Lessee shall not place upon the Leased Premises any placard, sign, lettering or awning except such, and in such place and manner as shall have been first approved in writing by Lessor. Lessor's approval shall not be unreasonably withheld.
- (E) Lessee acknowledges that all responsibilities of Lessee relating to the use or misuse of the Leased Premises and anything therein shall be construed to include use or misuse thereof by Lessee's agents, employees, patrons and sublessees.
- (F) Lessee shall comply with all reasonable rules and regulations with regard to the use of the Leased Premises that may be from time to time promulgated by Lessor, and any violation of said rules and regulations shall be deemed to constitute a breach of this Lease. It is understood that such rules and regulations shall not interfere with the primary or intended use of the Leased Premises by the Lessee as set forth in this Lease.



18. DESTRUCTION OF PREMISES:

- (A) In the event that the Leased Premises are destroyed or damaged from whatever cause so as to render all or a substantial portion of the premises unfit for the purposes for which the premises were leased and the repair of said destruction or damage cannot reasonably be accomplished by Lessor within six (6) months from the date of such damage, Lessee and Lessor shall each be entitled to terminate this Lease by written notice to the other within thirty (30) days after the irreparable destruction or damage occurred.
- (B) In the event that the Lessor is able to undertake the repair of the Leased Premises, Lessor shall complete said repairs within ninety (90) days from the date of destruction or damage and this Lease shall not be affected, except that during reconstruction rental payments shall be reduced by a percentage corresponding to the portion of the Leased Premises to which Lessee is denied normal occupancy and use.
- (C) In the event that Lessor is not able to repair the Leased Premises as hereinabove provided, Lessee shall not be entitled to any compensation or payment from Lessor for the value of any remaining term of the Lease.

19. DEFAULT:

- (A) Lessee shall be considered in default of this Lease upon the occurrence of any of the following:
  - (i) Failure to perform under any term, covenant or condition of this Lease and the continuance of such failure for thirty (30) days after written notice from Lessor specifying said failure. The 30 day notice provided herein shall run concurrently with the time provided for late payment of rent in Article 5 hereof.
  - (ii) The commencement of any action or proceeding for the dissolution or liquidation of Lessee, or for the appointment of a receiver or trustee of Lessee's property, and the failure to discharge any such action within thirty (30) days.

(iii) The making of any assignment for the benefit of Lessee's creditors.

(iv) The abandonment of the Leased Premises by Lessee.

(B) In the event that the Lessee shall be found in default as hereinabove stated, then and in every such case thenceforth, at the option of the Lessor, the Lessee's right of possession shall thereupon end, and the Lessor may proceed to recover possession under the laws of the State of Maryland.

20. EMINENT DOMAIN:

(A) In the event that the Leased Premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain, Lessee shall be entitled to recover the unamortized, undepreciated portion of capital expenditures for improvements and betterments made by Lessee to the Leased Premises at the Lessee's expense, excepting routine repairs to the premises and shall make no further claim for compensation or assert any other right which Lessee may have to any portion of any award made as a result of such governmental taking.

(B) Nothing contained hereinabove shall be construed to preclude Lessee from claiming, proving and receiving, in a separate claim filed by Lessee against the authority exercising the power of eminent domain, such sums to which the Lessee may be entitled as compensation, provided that such a separate claim does not interfere with or reduce the Lessor's award.

21. ASSIGNMENT AND SUBLEASING:

(A) Lessee shall not be entitled to and shall not assign this Lease or sublease all or any part of the Leased Premises without the Lessor's express written consent thereto which consent shall not be unreasonably withheld.

(B) The Lessor's written consent to prospective sublessees or consignees shall be obtained in the following manner.

(i) The Lessee shall submit to Lessor copies of the proposed occupancy or sublease agreements, a

description of the activities of the proposed sublessees or assignees and any other information pertinent to the proposed sublessee's or assignee's use and occupancy.

(ii) The Lessor shall respond in writing not later than thirty (30) days after receipt of the information cited in Article 21(B)(i) hereinabove.

(C) The Lessor and Lessee agree that the subleasing or assigning of all or any portion of the premises by the Lessee shall have as its primary goal the recovery of reasonable operating expenses incurred by Lessee in the operation, maintenance and administration of the Leased Premises. The Lessee therefore agrees that any rental amounts charged to sublessees within the premises shall be limited to the sublessees' prorated share of actual operating, maintenance and administrative expenses incurred by Lessee, plus an increment for actual rental paid by the Lessee to the Lessor in accordance with the provisions of Article 5 hereinabove.

(D) In the event Lessor accepts and approves any assignment, sublease or transfer, Lessee shall nonetheless remain responsible for the payment of all sums and the performance of all obligations required of the Lessee under this Lease.

22. MARKETABILITY OF LEASE: Lessee acknowledges and agrees that the Lessor shall not approve any assignment, sublease or transfer of any right or interest in all or any portion of the Leased Premises if such an assignment, sublease or transfer results in any profit or financial gain to the Lessee. Pursuant to the provisions of this Article 22, the Lessor may require the Lessee to provide certifiable evidence of compliance hereunder.

23. ACCESS: Lessee shall allow Lessor and Lessor's employees or agents to have access to said Leased Premises at all reasonable times and after reasonable notice, during normal working hours for the purpose of inspection, in the event of fire or other property damage, or for the purpose of performing any work required to be performed by Lessor, or which Lessor considers necessary or desirable, or for any other purpose pursuant to the reasonable protection of the Leased Premises. Lessee shall not alter or change the exterior locks installed on the premises

without the Lessor's approval thereto, and in the event of an approved change, shall provide Lessor with keys to the facility, said keys to be used by Lessor to obtain access to the facility in emergency situations.

24. SURRENDER OF POSSESSION: Lessee covenants, at the expiration or other termination of this lease, to remove all goods and effects from the Leased Premises not the property of Lessor and to yield up to Lessor the Leased Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Lessee) in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Lessee is not herein expressly made liable excepted.

25. HOLDOVER: In the event that the Lessee shall continue to occupy said Leased Premises or any part thereof after the conclusion of the term of this Lease, the tenancy thus created shall be deemed to be upon a month-to-month basis and may be terminated by either party giving the other not less than sixty (60) days' written notice, to expire on the day of the month from which the tenancy commenced. During any month-to-month tenancy, both parties shall continue to observe all agreements and covenants contained in this Lease. Lessee shall continue to pay monthly rental under rates to be negotiated a minimum of thirty (30) days prior to the expiration of the initial lease term or extension thereof, which month-to-month rental rates shall in no event be less than the rental rates in effect at the time of expiration of the lease term.

26. NOTICE OF DEFECTS: Lessee shall give to Lessor prompt written notice of accidents in or damages to the Leased Premises.

27. QUIET POSSESSION: Lessor covenants and agrees that, if Lessee shall perform all the covenants, conditions, and agreements herein contained to be performed on Lessee's part, Lessee shall at all times during the term of this Lease have the peaceable and quiet enjoyment and possession of the Leased Premises for the purposes leased without hindrance from any person or persons whomsoever, regardless of whether the building is sold or otherwise conveyed to a third party(ies).

28. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Lessee, at Lessee's expense, will promptly comply with and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government, Montgomery County Department of Environmental Protection or Montgomery County Fire Marshal's

Office. The foregoing shall not be construed to preclude the Lessee from exercising its legal right to contest the validity of legislation through judicial process, provided that the Lessee shall continue to fully comply with the provisions of this Article 28 pending the outcome of the Lessee's efforts.

29. BENEFIT AND BURDEN: The provisions of this Lease shall be binding upon, and shall inure to the benefit of the parties hereto and each of their respective successors, assignees or representatives.

30. DISPUTES: Lessor and Lessee agree that any dispute concerning a question of fact arising under this Lease which is not resolved by agreement of the parties shall be decided by the Chief Administrative Officer of Montgomery County, who shall notify the parties in writing of the determination made. The Lessee and Lessor's representatives shall be afforded an opportunity to be heard and offer evidence in support of their respective positions. Pending final decision of a dispute hereunder, Lessee and Lessor shall proceed diligently with the performance of all provisions under this Lease Agreement. The decision of the Chief Administrative Officer shall be final and conclusive. This Article 30 does not preclude consideration of questions of law in connection with the aforesaid decisions.

31. WAIVER: No waiver of any breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself or of any subsequent breach thereof.

32. NON-DISCRIMINATION: Lessee agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-3 and Section 27-19 of the Montgomery County Code 1984, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Lessee assures the County that in accordance with applicable law, it does not, and agrees that it will not discriminate in any manner on the basis of age, color, creed, national origin, race, religious belief, sexual preference or handicap.

33. CONTRACT SOLICITATION: Lessee represents that Lessee has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland upon an agreement or understanding of commission, brokerage, brokerage or contingent fee, excepting for bona fide employees or bona fide established commercial, selling or leasing agencies maintained by Lessee for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

34. PUBLIC EMPLOYMENT: Lessee understands that unless authorized under Sections 11B-46 or 11B-54 of the Montgomery County Code 1984, as amended, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

35. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail and shall be deemed to be effective when received or refused by the addressee. Notices to the respective parties shall be addressed as follows:

LESSEE:

THE WRITER'S CENTER  
4508 Walsh Street  
Bethesda, Maryland 20815

LESSOR:

MONTGOMERY COUNTY, MARYLAND  
Dept. of Facilities & Services  
Office of Real Estate Management  
110 N. Washington St., Suite 318  
Rockville, Maryland 20850

36. PROHIBITION OF HAZARDOUS SUBSTANCES: In addition to the covenants set forth in Article 12 herein, the Lessee agrees to not store or bring hazardous substances onto the premises. The Lessee shall be responsible for any personal injuries or personal and real property damage as a result of any hazardous substance brought into the premises by the Lessee, its agents, contractors, employees or guests.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: *Betty Barber*

LESSOR:

MONTGOMERY COUNTY, MARYLAND

By: *Alastair McArthur*  
Alastair McArthur, Deputy  
Chief Administrative Officer

Date: 7/8/92

WITNESS:

By: *Allan B. Lefcowitz*  
Allan B. Lefcowitz

LESSEE:

THE WRITER'S CENTER

By: *Jane Fox*  
Title: Jane Fox, Ex Director

Date: July 17, 1992

APPROVED AS TO FORM AND LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

By: *C. M. [Signature]*  
Date: 7/8/92

RECOMMENDED:

By: *Gloria W. Kratz*  
Gloria W. Kratz, Chief  
Real Estate Management  
Date: 7/10/92

39330

EXHIBIT A

SECTION 8  
CHEVY CHASE  
Montgomery County  
-- Maryland --

CHRISTOPHER ADAMS, ESQ.  
CIVIL ENGINEER  
WASHINGTON, D.C.

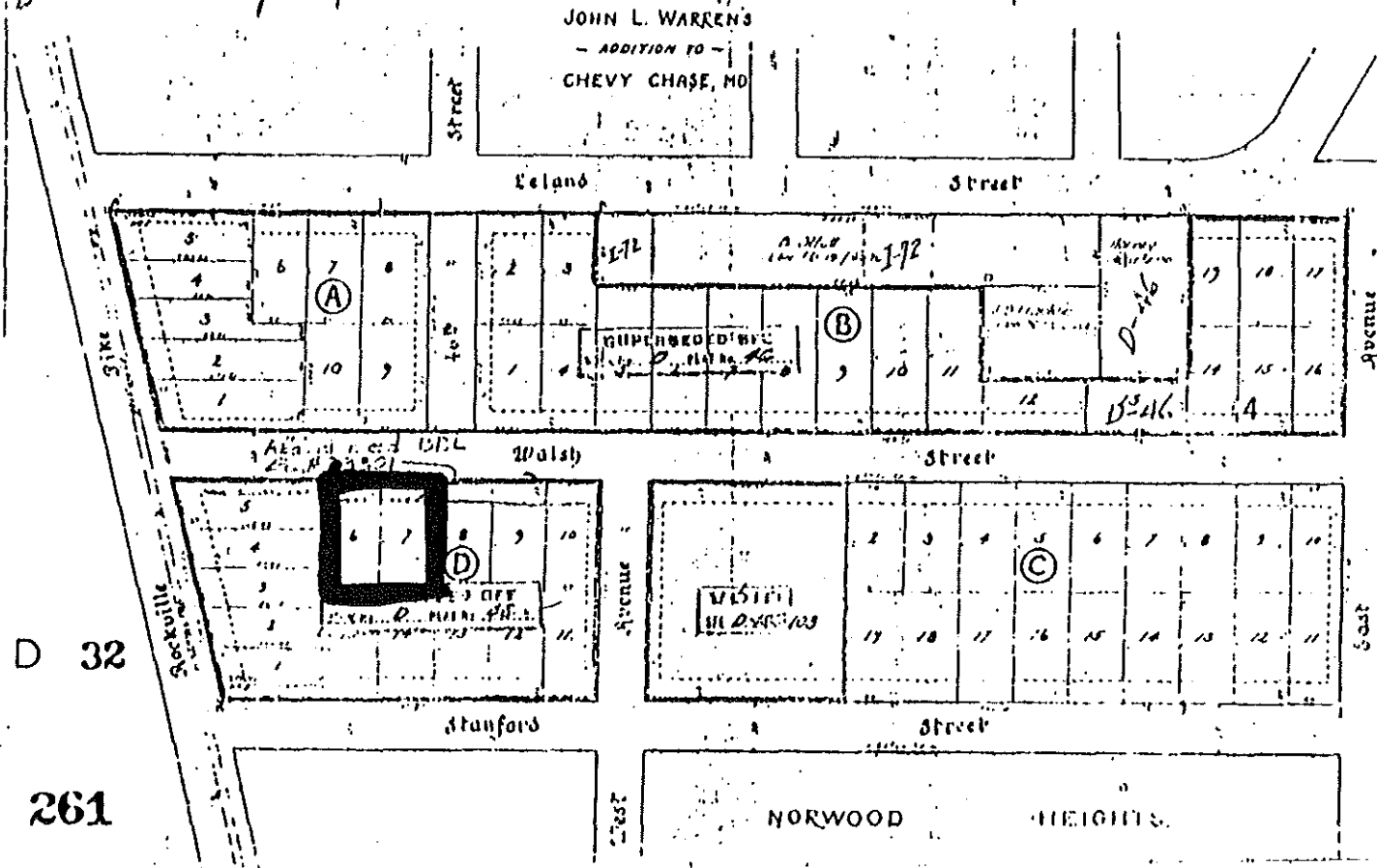
SCALE 1" = 100'

RECORDED 12.7.1923.  
BOOK 261 PAGE 262

DECEMBER 7, 1913

Richard A. Smith  
John L. Warren  
J. Darg. Bonner

JOHN L. WARREN'S  
- ADDITION TO -  
CHEVY CHASE, MD



filed with street



### PROGRAMMING AT WALSH STREET

The types of programs we intend to run or support at the Walsh Street building will include the following:

- I: Writer's Center Programs (see A for details).
- II: Other Arts Organization Programs (see B for details).
- III: Community Organization Programs and Periodic uses by the community (see C for details).

On the basis of present Center programming and anticipated attendance at other programs, we expect over 1,000 visitations a week to the Walsh Street building. Most of the programming will occur late afternoons, evenings, and weekends. Therefore, no strain should be placed on parking. On the other hand, the people flow will certainly help surrounding businesses.

EXHIBIT B

6

A:

CENTER PROGRAMS IN WALSH STREET

1: With the availability of increased workshop space, the Center will be able to offer over 50 evening and week end workshops in writing and the graphic arts, increasing its ability to serve the general public by 30%. We attach a typical program of workshop offerings.

2: The Center presently offers approximately 40 public events a year and can handle a total audience of 3,000. The Center will be able to increase the number of readings and other public programs and we would expect audiences to double.

3: The Center runs a Book Gallery that features local writers, small literary presses, books on writing, contemporary literature. The literary magazines and books are a unique resource for the area. In the Walsh Street Center we would be able to expand the Gallery, providing more access to such works.

4: The Center would use on the basement meeting rooms as a combination meeting room/library to house its collection of resource books for writers. This collection is focused on writer's markets and is used by hundreds of people each year.

5: The Center offers equipment (word processing and typesetting) for both individual users and other arts organizations. We expect in the Walsh Street Center to expand the number of computers available for users as well as continuing our services to arts and community groups in typesetting and design.

6: The Center will publish Carousel (a journal distributed free through the library) and Poet Lore in the Center.

7: The Center annually hosts visitors from schools and other writer's programs from all over the world. These visits and tours will continue in the Walsh Street Center.

8: Once in the Walsh Street Center, the Center expects to begin intensive weekend programs (workshops and events) targeted to those who live at a distance from Bethesda/Chevy Chase. Not only would such a program expand Center services and income but also it would draw users to hotels, restaurants, and other commercial establishments.

These are the basic Center public programs. The Center will continue (of course) its program of public information and consultation on literary issues. The Walsh Street building will house the administrative offices that manage the Center's programs.

EXHIBIT B

7

## B: Other Arts Organization Programs

1. At the Walsh Street Center we expect to share the available office space with PEN (Poets, Essayists, and Novelists) Syndicated Fiction, a national program to promote short fiction. We will also continue to make meeting space and program space available to literary and writer's organizations.
2. We expect that BAPA (Bethesda Academy of Dramatic Arts) will offer children's programs in dramatic arts and performances.
3. We expect Library Theater to offer seasons of children's plays.
4. We expect either to offer seasons of plays by professional theater groups (such as Theater Lobby, Woolly Mammoth, Horizon, Gala Hispanic Theater) or to develop a theater company within the Center management structure.
5. We will make space available to arts groups on an "as available basis" for meetings, rehearsals, and performance.

Obviously we expect such groups to pay for space use, but we expect to make space available at the equivalent rate that we pay for space in the same building.

EXHIBIT B

⑥

C: Community Organization Programs  
and Periodic uses by the Community

1. Lecture series, clubs, and meeting that pre-arrange space on a regular basis. We are thinking here of the Senior Citizen group who asked at the hearings for a weekly meeting space . Any rental fees would be nominal.
2. Periodic meetings of community governance organizations in the Bethesda/Chevy Chase area on an as available basis and on a pro bono basis. We are thinking here of smaller community meetings not appropriate for the Chevy Chase Community Center; larger Park and Planning Commission hearings; and the like.
3. Local businesses that needed a larger meeting space for staff or some other community purpose.
4. Individuals who wished to schedule a meeting or event on an "as available" basis.

EXHIBIT B

⑤